GOVERNMENT OF INDIA
WATER RESOURCES
LOK SABHA

UNSTARRED QUESTION NO:1193
ANSWERED ON:01.08.2005
FUNDS TO STATES FOR IRRIGATION PROJECTS
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Will the Minister of WATER RESOURCES be pleased to state:

(a) whether any scheme has been cleared by the Union Government to provide additional funds to States to extend the span of irrigation projects;

(b) if so, the amount likely to be spent;

(c) whether major irrigation projects proposed to be completed during 2004-05, have since been completed;

(d) if not, the total amount likely to be increased due to cost escalation;

(e) whether the funds provided for irrigation projects have been spent by the State Governments; and

(f) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRI JAI PRAKASH NARAYAN YADAV)

(a) & (b) Irrigation being a State subject the irrigation projects are planned formulated, executed and funded by the State Governments out of their own resources and as per their priorities. Central assistance is released in the form of block loans and grants not tied to any sector of development or project. As large number of major and medium irrigation projects in the country are languishing due to various reasons, the most important of them being financial constraints of the State Governments, the Central Government during 1996-97 launched the Accelerated Irrigation Benefits Programme (AIBP) to provide Central Loan Assistance (CLA) to approved ongoing major/medium irrigation projects which are beyond the resource capability of the states or are in an advanced stage of completion. Under this programme CLA/grant of Rs. 17120.82 crore has been provided from 1996-97 to 2004-05 to the State Governments. For the year 2005-06 there is a provision of Rs. 4500 crore under this programme.

(c) & (d) As per the guidelines of AIBP the State Governments are required to enter in to a memorandum of understanding (MOU) for each individual project under the programme indicating balance cost, balance potential, year- wise phasing o f expenditure and balance potential. Accordingly State Governments have indicated completion of 32 major/medium projects during 2004-05 and report of completions of 8 major/medium irrigation projects has been received. In view of the MOU the cost escalation is not likely to happen.

(e) & (f) As per AIBP norms Central Loan Assistance (CLA) is released in two instalments of 50 per cent each. The next instalment of CLA is released only after Utilisation Certificate is received from the State Governments for the previous instalment provided. The loan assistance provided to the State under the programme is recovered with interest by the Government of India in instalments as provided in the norms of the programme.